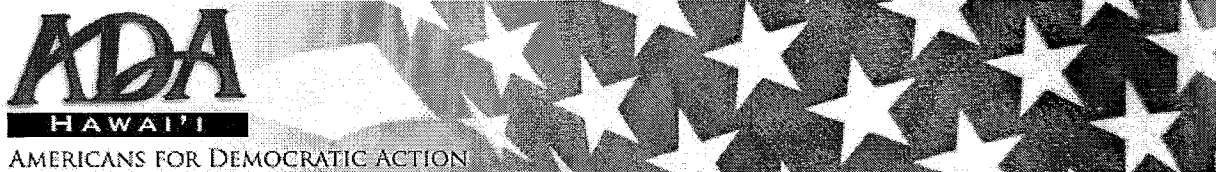


**SB2252**

**Late**



LATE

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February 8, 2009

To: Chair Brian Taniguchi  
 Vice Chair Dwight Takamine  
 Senate Committee on Judiciary and Government Operations

From: Americans for Democratic Action/Hawai'i  
 Barbara Polk, Legislative Chair

Subject: **Testimony in partial opposition to SB 2252 Relating to Campaign Financing**

Americans for Democratic Action, Hawaii Chapter (ADA/H), is pleased to see the inclusion of new language on Ballot Issue Committees and automated phone calls.

While it is preferable, from the point of view of transparency, to have any corporate donations which may be permitted go through a corporate non-candidate committee, as included beginning on line 20 of p.9 of this bill, ADA/H is opposed to corporate contributions to political campaigns, despite the current Supreme Court ruling (which applies to corporate advertising, not to political donations). Allowing corporate political donations gives corporate board members, officers, or others in the position of directing those donations on behalf of the corporation the ability to influence politics both through their role as an individual (a route available to all of us) and also through their corporate role. It is hardly a democracy when some individuals are given two or more channels for using money to influence elections while others have only one!

We again ask that you include language in this bill that prohibits corporations from making political donations to candidates, candidate committees, non-candidate committee, or political parties directly from their treasuries.

We also wonder why the Campaign Spending Commission should be exempt from promulgating "a code of fair campaign practices." Development of such a code is important to help maintain the integrity of our elections in the face of the increasing vehemence of the electorate.

Finally, we are very concerned with the provisions for penalties to a committee that files a substantially defective or deficient report. Not only does this bill change policy to allow the CSC to decide whether or not to levy a fine (a decision that inevitably will subject them to accusations of

partisanship), but the fines may not begin until a date several days AFTER the election to which they refer. As a result, transparency can be completely evaded by any committee wishing to hide the sources of its funds by filing an inadequate report, then “correcting” it after the election, while still avoiding any penalty. We strongly urge you to rethink this time-table and ensure that it will be possible for the public to get information on who funds various candidates or committees before the primary or general election as well as to ensure that any candidate or committee violating the law is required to pay a substantial fine.

Before passing this bill, we urge you to make amendments to it to deal with the concerns raised above. Thank you for this opportunity to testify on this bill.



Hawaii  
**COMMON CAUSE**  
*Holding Power Accountable*

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**Senate JGO Committee**  
**Tuesday 2/9/10 at 10:00AM in Room 016**  
**SB 2252**

TESTIMONY

Nikki Love, Executive Director, Common Cause Hawaii

Chair Taniguchi, Vice Chair Takamine, and Committee Members:

I would like to submit **comments regarding SB 2252.**

**Ballot Issue Committees, Automated Phone Calls, and Depository Institutions**

We support the inclusion of language regarding ballot issue committees, automated phone calls, and depository institutions in the state.

**Fines**

We have concerns about the changes regarding penalties/fines. It appears to weaken enforcement of the reporting requirements. This could compromise the strength of our disclosure laws and diminish transparency for the public.

**Corporate Contributions – Transparency via noncandidate committee**

If the legislature decides to permit direct contributions from corporate treasuries, we strongly support the language in this bill which clarifies the mechanism—contributions from corporations and companies must flow through a noncandidate committee and be properly reported. We believe it is essential to have thorough, transparent reporting of these political donations from business interests.

**Corporate Contributions – Maximum amount**

The recent U.S. Supreme Court decision in *Citizens United v. FEC* allows corporations and unions to spend freely on independent expenditures. However, please note that the Supreme Court did NOT overturn the federal ban on corporate donations to candidates.

Given these details, we believe the Hawaii legislature can and should insert a ban or low limit on direct corporate contributions to candidates.

This bill leaves blank the maximum amount of money that may transferred from a corporation's treasury to its noncandidate committee. We believe this should be zero, or a very low limit (such as the previously established \$1,000 per election). As we have stated many times over the last couple years, we believe that campaign funds should come from individuals, not corporate treasuries.

Mahalo for the opportunity to submit testimony.